

Approved
Insurance

LS 6-1202

OGC REVIEW COMPLETED

4 June 1956

MEMORANDUM FOR: General Foster, Chief, Audit Staff

SUBJECT: Comptroller General Ruling on Deductions of Insurance Premiums From the Remuneration of Government Employees

1. I attach a copy of B-127426, May 15, 1956, an opinion of the Comptroller General on the above subject which I would guess to be the one which had come to your attention and which we discussed last Thursday.

2. The decision is in answer to an inquiry from the Attorney General as to whether automatic deductions from salary could be made by the FBI as collection of premiums from policy holders of the Special Agents Mutual Benefit Association. As will be seen in paragraph 4 of the opinion, the Comptroller General denied this authority on the grounds that the practice would violate statutes which prohibit assignment of claims against the U.S., require the public moneys to be drawn only in favor of persons to whom payment is to be made, and require that appropriations be used solely to accomplish the objectives for which they are made and for no other purpose. Since deductions from salary were not involved in the recent CIA decision to utilize Agency personnel to collect premiums and process claims, the reference opinion would have no effect on our action.

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Assistant General Counsel

Attachment

OGC/RHL:jcf

Distribution:

- Orig. - Addressee
- 1. - Subject
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- 1. - Chrono